



State of Louisiana
Louisiana Department of Health
Bureau of Health Services Financing

VIA E-MAIL ONLY

November 10, 2021

Dr. Christy Valentine-Theard, CEO
Healthy Blue
10000 Perkins Rowe Suite G-510
Baton Rouge, LA 70810

RE: Notice of Action - Failure to Implement Pharmacy Diagnosis Codes as Directed by the Louisiana Department of Health

Dear Dr. Valentine-Theard:

Healthy Blue (HBL) has failed to follow a LDH directive to implement pharmacy diagnosis codes for Naltrexone tablets and is not in compliance with its contract with LDH. The contract provides:

6.3.7.3.1.2. Pharmacy claims processing shall be capable of capturing diagnosis codes at the POS and utilizing codes in the adjudication process at POS. Denial of pharmacy claims could be triggered by an inappropriate diagnosis code or the absence of a diagnosis code.

The MCO shall allow pharmacist overrides on selected POS denials as instructed by LDH. Pharmacist overrides shall utilize NCPDP established standards.

And

6.3.7.3.1. Prospective DUR Program

6.3.7.3.1.1. The MCO shall provide for a review of drug therapy at Point of Sale (POS) before each prescription is given to the recipient. Screening should be performed for potential drug problems due to therapeutic duplication, drug-disease contraindications, drug-drug interactions, duration of therapy, and clinical misuse. The following parameters should be screened at POS. Inappropriate therapy should trigger edits and each edit should have its own separate denial code and

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description including, but not limited to: early refill, duration of therapy, therapeutic duplication, pregnancy precaution, quantity limit (excluding opioids), quantity limit for long-acting opioids, quantity limit for short-acting opioids, diagnosis code required on selected agents, drug interactions, age limit, and dose limits. Reporting capabilities shall exist for these denial codes. The MCOs shall align their coding of NCPDP compliant POS edits and overrides with LDH. Prior authorization is not an acceptable method to override certain POS edits.

Pursuant to LDH's instructions, on April 7, 2021, HBL should have implemented diagnosis codes at the point-of-sale for Naltrexone tabs. Claims data pulled for the time period April 8, 2021 through September 20, 2021, showed 23 naltrexone tablet claims with invalid diagnosis codes and 42 naltrexone tablet claims with missing diagnosis codes.

On September 28, 2021, HBL reported to LDH that its prior authorization team is overriding the diagnosis code requirement. HBL also reported it would reprocess all impacted encounters.

Failure to adhere to the contract requirements cited herein carries a monetary penalty per occurrence per calendar day of non-compliance of \$5,000 as outlined in Section 20.3.3 of the contract between HBL and LDH. Should HBL, in the future fail to follow a LDH directive to implement pharmacy diagnosis codes, penalties may be assessed for each occurrence each day of HBL's non-compliance.

Should you have any questions, please do not hesitate to contact me.

Sincerely,



Stacy Guidry

Section Chief, Medicaid Program Operations and Compliance

SG/lj

cc: Michael Boutte
Sue Fontenot
Patrick Gillies
Kim Sullivan
Melwyn Wendt
Christina Wilson
HBL2-49